

# Management and Budget

## MISSION STATEMENT

The mission of the Office of Management and Budget (OMB) is to support and enhance the effective, efficient operation of County government, maintain the County's fiscal integrity and financial condition, and preserve the County's AAA bond rating by developing, implementing, and enforcing appropriate budgetary policies and procedures; providing accurate, timely, and objective information and recommendations to the County Executive, County departments, the County Council, and the general public; preparing and administering the operating and capital budgets in compliance with the County Charter, generally accepted accounting principles, and the policy agendas of elected officials; and ensuring that available resources are efficiently allocated and productively used.

## BUDGET OVERVIEW

The total recommended FY06 Operating Budget for the Office of Management and Budget is \$3,620,430, an increase of \$279,850 or 8.4 percent from the FY05 Approved Budget of \$3,340,580. Personnel Costs comprise 95.3 percent of the budget for 32 full-time positions and one part-time position for 31.7 workyears. Operating Expenses account for the remaining 4.7 percent of the FY06 budget.

## HIGHLIGHTS

### ❖ Productivity Enhancements

- Streamlined the budget entry/adjustment (BE) process by centralizing document handling, eliminating unnecessary levels of review and approval, and reducing photocopying and distribution requirements
- Simplified and improved the budget submission and analysis process by Web-enabling the Operating Budget development system
- Expanded the number of financial management reports on the Financial Reports Switchboard

## PROGRAM CONTACTS

Contact Alex Espinosa of the Office of Management and Budget at 240.777.2767 for more information regarding this department's operating budget.

## PROGRAM DESCRIPTIONS

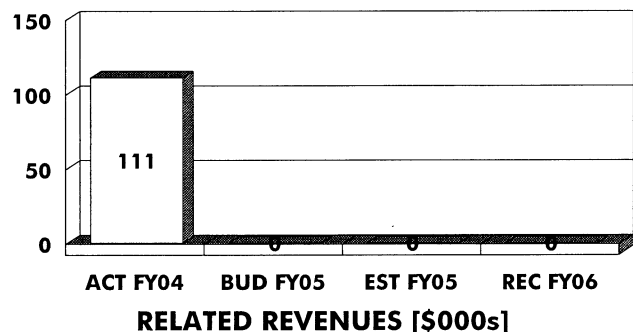
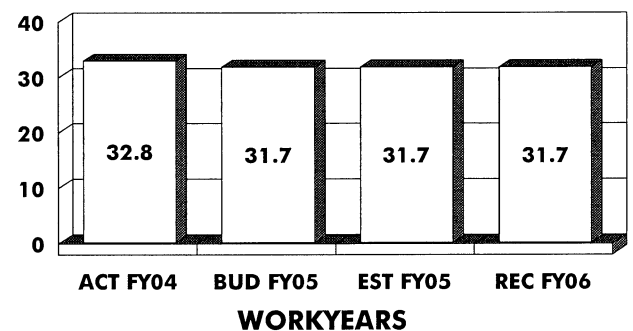
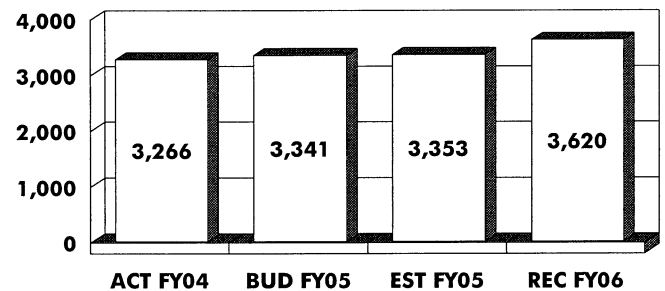
### Budget Preparation and Administration

The Budget Preparation and Administration program covers the annual preparation of the Capital Budget, the six-year Public Services Program and Operating Budget, and the various activities designed to assure compliance with the County

## Program Summary

	Expenditures	WYs
Budget Preparation and Administration	3,620,430	31.7
Totals	3,620,430	31.7

## Trends



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Charter and decisions of elected officials. The six-year Capital Improvements Program is prepared during even-numbered calendar years. Fiscal policy and procedures are developed to assure conformity with generally accepted accounting principles and County policies.

Six-year fiscal projections are prepared, including the identification of various Executive fiscal policy proposals and planning allocations. Fiscal planning assumptions and debt capacity analyses are updated, guidance is provided to departments and agencies, and budget recommendations are given to the Executive and Council. In addition, special analyses to monitor expenditures and revenues are conducted periodically during the year. County Executive transfers, Council transfers, and supplemental appropriations are handled as are transactions involving the creation, deletion, and movement of positions in the official position complement.

Related work includes participation in collective bargaining and compensation policy development; fiscal management and policy development; management analyses; measurement initiatives; program evaluations; fiscal impact analyses of legislation and regulations; development and amendment of administrative procedures; development and monitoring of user fees and other revenues; grants coordination; and contract review. The office's leadership, administration, automation, and process management are also included in this program. Staff provide OMB representation on the Contract Review Committee, the Interagency Group on Energy and Utilities Management, the Board of Investment Trustees of the pension system, the Diversity Council, the Telecommunications Transmission Facility Coordinating Group, and the Labor Relations Policy Committee.

#### **FY06 Recommended Changes**

	<b>Expenditures</b>	<b>WYs</b>
<b>FY05 Approved</b>	<b>3,340,580</b>	<b>31.7</b>
<b>FY06 CE Recommended</b>	<b>3,620,430</b>	<b>31.7</b>

## BUDGET SUMMARY

	Actual FY04	Budget FY05	Estimated FY05	Recommended FY06	% Chg Bud/Rec
<b>COUNTY GENERAL FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	2,468,476	2,516,990	2,537,140	2,712,910	7.8%
Employee Benefits	625,156	674,920	667,070	738,420	9.4%
<b>County General Fund Personnel Costs</b>	<b>3,093,632</b>	<b>3,191,910</b>	<b>3,204,210</b>	<b>3,451,330</b>	<b>8.1%</b>
Operating Expenses	165,495	148,670	148,670	169,100	13.7%
Capital Outlay	6,551	0	0	0	—
<b>County General Fund Expenditures</b>	<b>3,265,678</b>	<b>3,340,580</b>	<b>3,352,880</b>	<b>3,620,430</b>	<b>8.4%</b>
<b>PERSONNEL</b>					
Full-Time	33	32	32	32	—
Part-Time	1	1	1	1	—
Workyears	32.8	31.7	31.7	31.7	—
<b>REVENUES</b>					
Intergovernmental Reimbursements :Other	110,724	0	0	0	—
<b>County General Fund Revenues</b>	<b>110,724</b>	<b>0</b>	<b>0</b>	<b>0</b>	—

## FY06 RECOMMENDED CHANGES CROSSWALK

	Expenditures	WYs
<b>COUNTY GENERAL FUND</b>		
<b>FY05 ORIGINAL APPROPRIATION</b>	<b>3,340,580</b>	<b>31.7</b>
<b>Other Adjustments (with no service impacts)</b>		
Increase Cost: FY06 Compensation	118,120	0.0
Increase Cost: Annualization of FY05 Personnel Costs	93,100	0.0
Increase Cost: FY06 Retirement Rate Adjustments	29,620	0.0
Increase Cost: FY06 Group Insurance Rate Adjustments	18,580	0.0
Increase Cost: Annualization of FY05 Operating Expenses	15,570	0.0
Increase Cost: Central Duplicating	9,000	0.0
Increase Cost: Records Management	3,460	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY05	-7,600	0.0
<b>FY06 RECOMMENDATION:</b>	<b>3,620,430</b>	<b>31.7</b>

## FUTURE FISCAL IMPACTS

Title	CE REC. FY06	FY07	FY08	(\$000's) FY09	FY10	FY11
This table is intended to present significant future fiscal impacts of the department's programs.						
<b>COUNTY GENERAL FUND</b>						
<b>Expenditures</b>						
<b>FY06 Recommended</b>	<b>3,620</b>	<b>3,620</b>	<b>3,620</b>	<b>3,620</b>	<b>3,620</b>	<b>3,620</b>
No inflation or compensation change is included in outyear projections.						
<b>Elimination of One-Time Items Recommended in FY06</b>	<b>0</b>	<b>-12</b>	<b>-12</b>	<b>-12</b>	<b>-12</b>	<b>-12</b>
Items recommended for one-time funding in FY06, including the records management fee and printing of the biennial CIP, will be eliminated from the base in the outyears.						
<b>Labor Contracts</b>	<b>0</b>	<b>186</b>	<b>220</b>	<b>220</b>	<b>220</b>	<b>220</b>
These figures represent the annualization of FY06 increments, general wage adjustments, and associated benefits. Estimated compensation (e.g., general wage adjustment and service increments) for personnel are included for FY07 and beyond.						
<b>Print biennial CIP book</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>10</b>	<b>0</b>
In FY06, and even-numbered fiscal years, printing costs for the full Capital Improvements Program book are required. In the alternating years, a full book is not printed.						
<b>Subtotal Expenditures</b>	<b>3,620</b>	<b>3,795</b>	<b>3,838</b>	<b>3,828</b>	<b>3,838</b>	<b>3,828</b>

## MANAGEMENT AND BUDGET

<b>PROGRAM:</b> Budget Preparation and Administration		<b>PROGRAM ELEMENT:</b>				
<b>PROGRAM MISSION:</b> To support and enhance the effective, efficient operation of County government, maintain the County's fiscal integrity and financial condition, and preserve the County's AAA bond rating by developing, implementing, and enforcing appropriate budgetary policies and procedures; providing accurate, timely, and objective information and recommendations to the County Executive, County departments, the County Council, and the general public; preparing and administering the operating and capital budgets in compliance with the County Charter, generally accepted accounting principles, and the policy agendas of elected officials; and ensuring that available resources are efficiently allocated and productively used						
<b>COMMUNITY OUTCOMES SUPPORTED:</b> <ul style="list-style-type: none"><li>• Ensure high value for tax dollars</li><li>• Ensure accountability</li><li>• Support fiscal integrity and public confidence in County government</li></ul>						
<b>PROGRAM MEASURES</b>		<b>FY02 ACTUAL</b>	<b>FY03 ACTUAL</b>	<b>FY04 ACTUAL</b>	<b>FY05 BUDGET</b>	<b>FY06 CE REC</b>
<b>Outcomes/Results:</b>						
Bond rating		<sup>a</sup> AAA	<sup>a</sup> AAA	<sup>a</sup> AAA	<sup>a</sup> AAA	Expected
Tax supported expenditures per capita - constant [2002] dollars		2,596	2,629	2,698	2,870	3,006
Debt service as a percentage of General Fund tax supported revenues (goal: ≤ 10%)		9.37	9.46	9.52	9.01	9.09
Ratio of direct bonded debt per capita to per capita income (%) (goal: ≤ 3.5%)		3.02	2.86	2.86	2.89	2.89
General obligation bonded debt as a percentage of the full assessed value of taxable real property in the County (goal: ≤ 1.5%)		1.67	1.63	1.57	1.53	1.44
CIP Implementation rate - ratio of actual to budgeted capital expenditures for the year (%)		87.2	95.3	91.2	92.0	92.0
<b>Service Quality:</b>						
Receipt of Government Finance Officers Association Distinguished Budget Presentation Award		Yes	Yes	Yes	Yes	Expected
Average number of days required to process:						
Request for Budget Adjustment		4.8	5.3	5.4	<sup>c</sup> 2.9	5.0
Position Profile Form		6.4	7.8	10.1	<sup>c</sup> 7.8	7.0
Program of Requirements		NA	NA	NA	NA	TBD
Fiscal Impact Statement		NA	NA	NA	<sup>c</sup> 24.4	TBD
Percentage of Executive Branch departments rating as "good" or "excellent":						
The helpfulness and cooperativeness of OMB staff		NA	NA	NA	NA	TBD
The time it takes OMB to respond to questions		NA	NA	NA	NA	TBD
The quality of OMB instruction materials and training		NA	NA	NA	NA	TBD
<b>Efficiency:</b>						
OMB staff overtime (hours) <sup>b</sup>		2,604	1,849	1,868	1,900	1,900
Budget preparation and administration cost per \$million total operating budget (\$)		1,145	1,079	1,060	1,010	1,010
Total hours worked by budget analysts <sup>d</sup> per \$million total operating budget		NA	12	10	11	10
Value of operating budget requests analyzed per analyst workyear (\$millions)		117.9	130.0	142.1	173.5	189.9
<b>Workload/Outputs:</b>						
Total operating budget (\$millions)		2,704.8	2,926.1	3,082.0	3,308.2	3,583.2
Value of operating budget requests analyzed (\$millions)		2,946.6	3,120.0	3,268.0	3,591.9	3,930.3
Number of new or revised CIP projects received <sup>b</sup>		622	207	529	80	TBD
Number of Requests for Budget Adjustment received		881	941	726	<sup>c</sup> 524	TBD
Number of Position Profile Forms reviewed		486	505	587	<sup>c</sup> 388	TBD
Number of fiscal impact analyses of legislation and regulations		NA	NA	NA	<sup>c</sup> 30	TBD
<b>Inputs:</b>						
Expenditures (\$000)		3,097	3,157	3,266	3,341	3,620
Workyears - total		35.6	34.0	32.8	31.7	31.7
Workyears - budget analysts		25.0	24.0	23.0	20.7	20.7
Total hours worked by budget analysts <sup>d</sup>		NA	36,309	31,601	35,438	35,438
<b>Notes:</b>						
<sup>a</sup> AAA bond rating from Standard and Poor's and Fitch, Inc.; Aaa from Moody's Investor Service, Inc.						
<sup>b</sup> FY03 and FY05 are off-years for the biennial CIP.						
<sup>c</sup> As of February 15, 2005.						
<sup>d</sup> Includes overtime.						
<b>EXPLANATION</b> The Budget Preparation and Administration Program is responsible for the annual preparation of the Capital Budget and the six-year Public Services Program and Operating Budget to implement the policies and decisions of the County Executive. The six-year Capital Improvements Program is prepared during even-numbered calendar years. Budgetary policies and procedures are developed to ensure conformity with generally accepted accounting practices and County policies. Revenues and expenditures are monitored throughout the year, and special analyses are conducted as necessary (including analyses of user fees and other revenues). Program staff are often called upon to provide information, advice, and recommendations to County departments, elected officials, and the general public.						
<b>PROGRAM PARTNERS IN SUPPORT OT OUTCOMES:</b> Department of Finance, Office of Human Resources, Department of Technology Services, operating departments and agencies.						
<b>MAJOR RELATED PLANS AND GUIDELINES:</b> Government Finance Officers Association Budget Preparation Guidelines, Generally Accepted Accounting Principles.						